

MEMORANDUM

TO: Malden Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: June 5, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

The COLA base is scheduled to increase to \$14,000 effective July 1, 2014. This increase will be reflected in the actuarial liabilities and the funding schedule adopted as part of the 2016 actuarial valuation. If the 2016 schedule maintains the 5.0% annual increases through FY19, the impact of the COLA base change will primarily impact funding schedule amounts in FY20 and later.

Our understanding is that the Redevelopment Authority (RA) will continue to make its annual appropriation in quarterly installments. We will adjust the RA amounts each year to reflect these payment dates.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



Malden Retirement System
January 1, 2014 Actuarial Valuation

Total Appropriation increases 5% per year through FY19, then 2.3% increasing amortization to FY30

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERIP</u>	<u>Amort. of</u> <u>2003 ERIP</u>	<u>Amort. of</u> <u>2010 ERIP</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Increase in</u> <u>Total Approp.</u>
2015	2,833,783	160,000	6,084,362	413,921	202,295	107,877	9,802,237	86,683,539	
2016	2,961,303	160,000	6,446,953	413,921	202,295	107,877	10,292,349	86,065,404	5.00%
2017	3,094,562	160,000	6,828,312	413,921	202,295	107,877	10,806,966	85,008,671	5.00%
2018	3,233,817	160,000	7,229,405	413,921	202,295	107,877	11,347,315	83,459,126	5.00%
2019	3,379,339	160,000	7,651,249	413,921	202,295	107,877	11,914,680	81,357,315	5.00%
2020	3,531,409	160,000	9,085,030		202,295	107,877	13,086,611	78,638,076	9.84%
2021	3,690,322	160,000	9,293,986			107,877	13,252,184	74,609,197	1.27%
2022	3,856,387	160,000	9,507,747			107,877	13,632,011	70,260,903	2.87%
2023	4,029,924	160,000	9,726,426				13,916,350	65,345,288	2.09%
2024	4,211,271	160,000	9,950,133				14,321,404	59,929,325	2.91%
2025	4,400,778	160,000	10,178,986				14,739,764	53,852,579	2.92%
2026	4,598,813	160,000	10,413,103				15,171,916	47,058,296	2.93%
2027	4,805,759	160,000	10,652,604				15,618,364	39,485,195	2.94%
2028	5,022,019	160,000	10,897,614				16,079,633	31,067,117	2.95%
2029	5,248,009	160,000	11,148,259				16,556,269	21,732,639	2.96%
2030	5,484,170	160,000	11,404,669				17,048,839	11,404,669	2.98%
2031	5,730,958	160,000					5,890,958	0	-65.45%

Appropriation payments assumed to be paid July 1
Normal cost assumed to increase 4.5% per year.
Assumed expenses of \$450,000